GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Industrial Development Policy 2015-20 to M/s. Tremag Alloys Private Limited to set up a Magnesium Ingots and Ferro Silicon Manufacturing plant at Kadapa Mega Industrial Park, Kadapa District – Orders- Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 80 Dated: 25-05-2017

Read the following:-

1. Letter of Dr. M. Santhiramudu, Chairman, M/s. Tremag Alloys Private Limited,& DPR, Dt. 23.02.2017
2. Letter of M/s. Tremag Alloys Private Limited, Dt. 02.04.2017.
3. Email of M/s. Tremag Alloys Private Limited, Dt. 03.04.2017
4. Empowered Committee Meeting held on 18.04.2017.
5. State Investment Promotion Board Meeting held on 21.04.2017.

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O R D E R:-

In the letter 1st read above, M/s. Tremag Alloys Private Limited has submitted a Detailed Project Report for setting up a Magnesium Ingots and Ferro Silicon Manufacturing plant at Kadapa Mega Industrial Park, Kadapa District. The total proposed investment in the project is Rs. 660 Cr (Rs. 180 Cr in Phase I and Rs. 480 Cr in Phase II) with potential to create employment for 7200 persons both direct and indirect. This is the first project of its kind in India using the Pidgeon process developed in Canada and the Company has requested for the following benefits:

i. Allotment of 100 acres undeveloped land of APIIC at Kadapa Mega Industrial Park (MIP) at a price of Rupees 1,20,000/- per acre as per the prevailing market value of Ambavaram and Yadavapuram Villages, Vallur Mandal, Kadapa District for setting up of this Mega Industry. (APIIC has informed the company that they have fixed land cost @INR 14, 84,000 per acre for un-developed land at Kadapa MIP.)

ii. Reimbursement of 100% VAT/CST/SGST for period of 10 years from the date of commencement of commercial production or up to realization of 100% fixed capital investment whichever is earlier.

iii. Fixed power cost reimbursement at the rate of Rs. 2.00 per unit for 10 years from the date of commencement of commercial production.

iv. 100% reimbursement of electricity duty for 7 years.

v. 20% capital subsidy on the amount spent on plant and machinery.

vi. Waiver of import duty on Plant and Machinery as it is the only large-scale Magnesium Ingots plant in India.

vii. Interest subsidy on term loan on fixed capital investment in excess of 3% per annum subject to maximum reimbursement of 9% per annum for a period of 10 years from the date of commencement of commercial production.

viii. Infrastructure facilities such as Power, Roads and Water to be provided at doorstep of industry with GoAP contributing 50% of the cost of infrastructure.
   a. External roads till doorstep
   b. Water supply of 500 KL per day
   c. Power supply till doorstep

ix. 75% subsidy for pollution abatement equipment, sustainable green

measures as per IDP 2015-20 without any ceiling.

x. Speedy allotment of Dolomite mining land for Captive Use in and around the districts of Kadapa, Anantapur and Kurnool
xi. All the benefits, incentives should be extended for expansion/ diversification/modernization of the unit.
xii. All incentives as per the Andhra Pradesh Industrial Policy 2015-20 to be provided

2. In the reference 4th read above, the Empowered Committee of Secretaries in its meeting held on 18.04.2017 has discussed the proposal of M/s. Tremag Alloys Private Limited and recommended for extending the following incentives:

i. Reimbursement of 100 % VAT/SGST accrued to the State on yearly basis for a period of (7) years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
ii. Power cost reimbursement @ Rs.1.00 per unit for 7 years, as Kadapa is a backward district.
iii. To allocate land @ Rs.7.00 Lakh per acre (Original Land cost [Rs 3.33 lakhs per acre + 50% of infrastructure cost[Rs.7.33 lakhs per acre] excluding the water supply cost).
iv. Agreed to allocate one local officer to identify area and file application for grant of lease.
v. Mines and Geology Department agreed for priority based lease as the Dolomite mines will be utilized for captive use.
vi. 50% subsidy for sustainable green measures with ceiling of INR 50 Cr with the green measures as specified in the IDP 2015-20.
vii. All other incentives as per IDP 2015-20 Policy.

3. In the reference 5th read above, the State Investment Promotion Board (SIPB) in its meeting held on 21.04.2017 discussed the proposal of M/s.Tremag Alloys Private Limited, in detail and decided to extend the following incentives:

i. Reimbursement of 100 % VAT/SGST accrued to the State on yearly basis for a period of (7) years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
ii. Power cost reimbursement @ Rs.1.00 per unit for 7 years, as Kadapa is a backward district.
iii. To allocate land @ Rs.3.5 Lakh per acre being a fist Mega Project in the industrial park and keeping in view the need for development of industries in the Kadapa District. However, the Board advised Industries Department to assess the technological strength of the unit and to ensure that the land is being utilized properly.
iv. Agreed to allocate one local officer to identify area and file application for grant of lease
v. Mines and Geology Department agreed to grant mining lease on priority as Dolomite will be utilized for captive use.
vi. 50% subsidy for sustainable green measures with ceiling of INR 50 Cr with the green measures as specified in the IDP 2015-20.
vii. All other incentives as per IDP 2015-20 Policy.

4. Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s. Tremag Alloys Private Limited, for their Magnesium Ingots and Ferro

Silicon Manufacturing plant at Kadapa Mega Industrial Park, Kadapa District where the total proposed investment in the project is Rs. 660 Cr with potential to create employment for 7200 persons both direct and indirect:

i. Reimbursement of 100 % VAT/SGST accrued to the State on yearly basis for a period of (7) years from the date of commencement of commercial production or up to realization of 100% fixed capital investment, whichever is earlier.
ii. Power cost reimbursement @ Rs.1.00 per unit for 5 years from the date of commencement of commercial production and extendable to another 2 years, on satisfactory performance of the unit, as Kadapa being a backward district.

iii. To allocate land @ Rs.3.5 Lakh per acre being a fist Mega Project in the industrial park and keeping in view the need for development of industries in the Kadapa District. However, the Board advised Industries Department to assess the technological strength of the unit and to ensure that the land is being utilized properly.
iv. Directed Mines and Geology Department to allocate one local officer to identify area and file application for grant of lease
v. Directed Mines and Geology Department to grant mining lease on priority as Dolomite will be utilized for captive use.
vi. 50% subsidy for sustainable green measures with ceiling of INR 50 Cr with the green measures as specified in the IDP 2015-20.
vii. All other incentives as per IDP 2015-20 Policy.

5. The Commissioner of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh, Vijayawada.
M/s. Tremag Alloys Private Limited through the Commissioner of Industries, Andhra Pradesh.
The Collector & District Magistrate, Kadapa District.
The VC & MD, APIIC Ltd., Vijayawada.
The General Manager, District Industries Centre, Kadapa District.
The Zonal Manager, APIIC, Kadapa.
Copy to
The Finance (FMU-Rev-IC)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Vijayawada.
The Vice Chairman & Managing Director, APIIC, Vijayawada.
P.S. to Secretary to Chief Minister.
P.S. to Minister for Industries.
P.S. to Chief Secretary to Government.
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

// FORWARDED :: BY ORDER //

SECTION OFFICER